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U.S. DEPT. OF AGRICULTURE

DIRECTOR'S MEMORANDUM NO. 48

Economic Status of Low Income Groups

National income rose from about 42 billion dollars in 1933 to about 115 billion in 1942. Current estimates for 1943 place the total at more than 117 billion dollars. With this tremendous increase in total income, many people who previously had very low incomes are now materially better off in terms of money. In terms of purchasing power, they are much more able to buy the foods they need.

However, a great many people have not had this increase in their income. The following facts are revealed from the most authoritative official estimates:

1. In 1942 about 8 million families, representing over 30 million persons, had a total family income of about \$100 per month or less. The average was only about \$67 per month.
2. This group included 25 percent of all our families.
3. About 35 percent were farm families, and 65 percent were non-farm families.
4. Preliminary estimates for 1943 indicate that there will continue to be approximately 30 million people with total family incomes of \$100 per month or less.
5. Food expenditure studies show that, on the average, families with incomes under \$100 per month are not able to spend over \$2.50 to \$2.75 per person per week for food, and in the lower income groups, the weekly expenditures are very much below this.
6. An adequate low cost diet for an urban family of four costs an average of about \$2.63 per person per week, according to latest pricing estimates.
7. Even on the basis of this conservative estimate of food cost, approximately 30 million persons have insufficient income to buy enough food to meet desirable standards of nutrition.

Many people in and out of government are falling into the easy assumption that the rise in national income has resulted in the disappearance of low income groups. In spite of the considerable reduction in the number in the low income groups, the problem is still very real and large. We in the Food Distribution Administration have a great and inescapable responsibility to assist such people in meeting their food requirements. This must be an important guide in formulating and administering all of our war-time programs. It must not be overlooked in all statements made by FDA representatives.

Roy T. Hendrickson
Director

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